

The complaint

Mr and Mrs L complained about the poor service and delays in receiving their settlement from HDI Global Specialty SE ("HDI") under their home insurance policy. They also think an excess payment was unfairly charged.

What happened

Mr and Mrs L made a claim when an incident caused structural damage to their home. HDI appointed a loss adjuster to review and validate the claim. The claim was eventually accepted, but Mr and Mrs L felt their claims experience could've been a lot better.

Mr and Mrs L said there were delays when their claim for damage to their window was originally declined by HDI. This decision was later overturned further down the process once a complaint had been made.

Mr and Mrs L said the cash settlement for the repairs to their property was agreed, but payment was only received five months later, and this required them to raise two separate complaints to expedite payment.

Mr and Mrs L made an excess payment, but don't think it was fair this was retained by HDI as the damage caused wasn't their fault.

HDI acknowledged some of its service errors and the delays this caused, so it paid £400 compensation for the distress and inconvenience caused. However, it said the policy terms outlined a policy excess was due.

Our investigator decided to uphold the complaint. He thought the compensation paid was reasonable for the service issues and delay. However, he didn't see evidence provided by HDI that the policy allowed for it to charge an excess payment, so he asked HDI to refund this (£350), plus 8% simple interest per annum. HDI disagreed, so the case has been referred to an ombudsman.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mr and Mrs L have indicated they agree to our investigator's findings. Given both parties agree that the £400 paid for service issues / delays is reasonable, there is no value in me considering this element of the complaint any further. So, I'll move onto the outstanding issue.

I have considered whether it was fair for HDI to expect Mr and Mrs L to pay an excess payment, even though the damage caused wasn't their fault. HDI have said *"please refer to the definition of excess under the policy wording [which states] the total amount you will need to pay towards each separate claim as shown on the Policy Schedule.*

HDI said it is awaiting a copy of the policy schedule from the intermediary to ascertain if this

clearly shows the excess applicable under the entire buildings section”.

HDI haven't furnished our service with a document that clearly shows the excess applicable under the entire buildings section, therefore, I have reviewed the document I do have (the policy document).

The policy document clearly explains the excess payment. However, the excess isn't mentioned in the policy in Section A which is the part of the policy Mr and Mrs L used to make a successful claim. Section B states *“Your insurer will cover loss or damage as a result of an insured cause or cover provided under any paragraphs in this section. The insurer will deduct the excess shown on the Policy Schedule”.*

Therefore, I appreciate HDI have inferred that the excess applied to any buildings claim, however, I don't think the policy supports this. The part of the policy Mr and Mrs L claimed under doesn't mention an excess payment should be collected. Therefore, I uphold this complaint. I require HDI to reimburse the £350 excess payment Mr and Mrs L have already paid. Given Mr and Mrs L have been without this money, I require HDI to pay 8% simple interest per annum (calculated from the date Mr and Mrs L paid the excess to the date HDI reimburse it).

My final decision

My final decision is that I uphold this complaint. I require HDI Global Specialty SE to pay Mr and Mrs L:

- £350 to reimburse the excess payment collected, plus 8% simple interest per annum (calculated from the date Mr and Mrs L paid the excess to the date HDI reimburse it).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L and Mrs L to accept or reject my decision before 28 May 2025.

Pete Averill
Ombudsman